



**ELINOIL
HELLENIC PETROLEUM COMPANY S.A.**

**DIRECTORS'
SUITABILITY
POLICY**

June 2021





Contents

File tracking4

1. Introduction5

2. Main goals and principles of the policy5

3. Specification of individuals and competent bodies falling under the policy5

4. Directors suitability criteria6

4.1 Personal suitability criteria6

4.2 Collective suitability criteria8

5. Assessment procedure9

6. Re-assessment.....9

7. Approval and amendment of the policy9

8. Policy disclosure/effect10



File tracking

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1. Introduction

The Suitability Policy (hereinafter the “Policy”) is a part of the Corporate Governance System of the Company “ELINOIL HELLENIC PETROLEUM COMPANY S.A.” (hereinafter the “Company”) and its Group. Its goal is the staffing of the Board of Directors with competent individuals, who will ensure a sound and effective management to the Company’s and all stakeholders’ benefit, and strengthened effectiveness of the risk management system used by the Company for any risks the Company is exposed to due to its internal operation and organisation.

The Policy takes into account the provisions of Law 4706/2020 on corporate governance of listed companies, and more specifically in Article 3 of aforementioned law, as well as the Circular of the Capital Market Commission no. 60 titled “Guidelines for the Suitability Policy of Article 3 of Law 4706/2020”.

It is prescribed in this framework that listed companies must have a Directors’ Suitability Policy, so that it is ensured, among others, that Directors have the professional qualifications, knowledge and experience which will allow them to carry out management in a sound and consistent way, and that they are adequate in terms of reputation and integrity.

2. Main goals and principles of the policy

This Policy’s main goals are to specify the individuals falling under it, the cases where the revisiting of such individuals’ suitability is deemed necessary and the procedures implemented to this end; to specify the criteria used to assess the suitability of said individuals and to specify the minimum required information - supporting documents. In addition, to ensure the effective functioning of the Board of Directors and the fulfillment of its role as the Company’s supreme management body, which is tasked with strategic planning, management supervision and sufficient control. In addition, to establish transparent rules and procedures for the assessment of said individuals’ suitability, both before they assume the specific office (appointment) and periodically after that (assessment). Lastly, to distribute competences to the Company’s Bodies, so that the Policy is implemented and potential business risks arising from the allocation of duties to unsuitable and unreliable individuals are minimised.

At the same time, the main principles of this Policy are for it to be clear and sufficiently reasoned, to be based on the principle of transparency and proportionality and to be compliant with the Company’s Bylaws and the Corporate Governance Code implemented by the Company. In preparing the suitability policy, the size, internal organisation, willingness to take risks, nature and complexity of the Company’s activities are taken into consideration. The Remuneration & Nominations Committee as well as organisational units with a similar scope may make effective contributions during the composition of the Suitability Policy and the tracking of its implementation. The Suitability Policy takes into account the more specific description of each Director’s duties or their participation/non-participation in committees, the nature of their duties (executive or non-executive director) as well as more specific incompatibilities or features or contractual commitments and, lastly, is assessed in regular intervals or when important events or changes take place.

3. Specification of individuals and competent bodies falling under the policy

According to Article 3 of Law 4706/2020, all members of the Company’s Board of Directors fall under the Suitability Policy.



Nevertheless, the duties of the Company's Bodies concerning the adoption, monitoring, implementation and amendment of the Policy per Body are as follows:

a) Board of Directors

- Approval and periodical updating of the Policy
- Selection of candidates and final approval of assessments for individuals falling under the Policy
- Cooperation with the Remuneration & Nominations Committee in the supervision of correct and due implementation of the Policy
- Determination of any further actions that should be launched after the assessment of Directors, after the receipt of information on the results of such assessment from the Remuneration & Nominations Committee.

b) Remuneration & Nominations Committee

- Approval of the Assessment Report resulting from the assessment process, and preparation of a brief Report addressed to the Board of Directors for the Board's information on the main points of the assessment results and the decision-making process.
- Monitoring of the proper implementation of any corrective actions that have been specified following the assessment.

4. Director suitability criteria

4.1 Personal suitability criteria

a) Professional training, experience, adequacy of knowledge and skills

It is pretty important for all Directors to understand the activities and main risks of the Company. This is why they need to have sufficient knowledge, skills, professional training and experience, at least in the most important functions and activities of the Company during the performance of their duties.

The term "experience" encompasses both theoretical education that the Directors have acquired through theoretical and practical training, and hands-on experience gained either through responsible positions held previously or through conducting business activity for a sufficient amount of time. Therefore, the satisfaction of required conditions shall be ascertained through detailed resumes containing information about their training and work experience, through copies of diplomas and, on a case-by-case basis, professional certifications.

b) Testaments of good character and Reputation

The good reputation and good character of Directors are criteria that matter greatly to the Company. These mainly have to do with the honesty and integrity shown by the Directors or candidates.

The Directors must perform their duties with integrity, objectivity and professionalism. Among others, they must:

- be of impeccable morality. A Director is deemed to be of impeccable morality, if there is no evidence to the contrary or there is no cause to reasonably doubt it.
- not be subject, themselves or/and the individuals associated with them, to cases of conflict of interest and transactions with third parties or incompatibilities, according to the Corporate Governance Code,



and meet the criteria of Independence set out by the Code, provided that they are independent, non-executive Directors.

- be considered to have a good reputation, honesty and integrity, provided that there isn't any indication or objective and proven evidence to the contrary.

In order to assess the reputation, honesty and integrity of a prospective or current Director, the Company may carry out background checks and, without prejudice to the legislation on personal data protection, request information and supporting documents regarding any final administrative and court judgements against them, especially regarding violations and offenses related to their capacity as a Director, or non-compliance with provisions of the Capital Market Commission laws or financial crimes in general.

Without prejudice to the provisions of Article 3, par. 4 and 5 of Law 4706/2020, said assessment may particularly consider the relevance of the offense or measure to the Director's role, the severity of the offense or measure, the overall conditions including mitigating factors, the role of the involved person, the imposed penalty, the stage that the legal proceedings reached and any legal remedies put into force. It is useful to take into account the time that has passed since and the individual's conduct after the violation or offense.

c) Independence of judgement

According to Article 9 of Law 4706/2020, another suitability criterion is the certainty that the Directors exercise independent judgement when taking action. Independent judgement is a standard of behaviour to be followed in the discussing and decision-making within the Board of Directors and is required of all Directors, irrespective of whether they are "independent". All Directors participate actively in the meetings and make their own sound, objective and independent decisions and judgements while performing their duties.

Objectivity is defined as the impartial attitude and mentality, which enables the Director to carry out their work as they themselves see fit, and not make compromises in quality.

Independence is defined as the freedom from conditions that prevent the Director from performing their duties in an impartial way. The following qualities are taken into consideration, among others, for the assessment of independence of judgement:

- courage, confidence and fortitude, so that Directors can truly evaluate and question the propositions or opinions of other Directors;
- the ability to ask Directors, and especially executive directors, reasonable questions, and to criticise, and;
- the ability to resist to the phenomenon of groupthink.

Independence of mind may be affected by conflicts of interest; however, Directors should be able to make sensible, objective and independent decisions (namely to exercise independence of mind when acting).

d) Conflict of interest

The term "conflict of interest" describes the serving of a Director's own interests to the detriment of the Company's ones; in addition, the Conflict of Interest Policy established by the Company:

- specifies the way in which cases of conflict of interest are identified, made public, limited, managed or prevented.
- specifies any cases and conditions where it would be exceptionally acceptable for a Director to have conflicting interests, provided that said interests of the Director are considerably limited or subject to due management.



- stipulates that the Company and the Director should disclose any case of COI they identify and the Remuneration & Nominations Committee should judge the adequacy or inadequacy of those measures, in order to reach a decision about the Director's suitability.

e) Sufficient time for the performance of duties

Every Director must have the time required for the performance of their duties based on their job description. To specify the amount of required time, the capacity and competences assigned to the Director, the number of the Director's positions in other Boards and the resulting capacities that this Director has simultaneously, as well as any other professional or personal commitments and circumstances are taken into consideration. In addition, the Company informs every prospective Director about the time that they are expected to devote to their duties, the meetings of the Board and any other committees they may participate in as members, depending on their role and duties.

To assess the criterion of sufficient time for the performance of duties, both quantitative and qualitative factors are considered.

Quantitative factors include, among others, the number of positions that the Director holds simultaneously in Boards of Directors, so that their ability to devote sufficient time for the Director's duties is not impaired. Non-executive Directors shall not participate in the Boards of more than five (5) listed companies; in the Chairperson's case, the number is limited to three (3).

On top of the quantitative factors, qualitative factors are also considered in the assessment of the time that a Director can devote to their duties.

Qualitative factors include but are not limited to: the size of the entities where the officer holds such positions, the nature and complexity of their activities as well as other professional or personal obligations.

4.2 Collective suitability criteria

The Company's Directors should be able to make right decisions by considering the business model, the willingness to take risks, the business strategy and the markets where the Company is active. Moreover, the Directors should be capable of actually monitoring and criticising the decisions of the Board's executive members.

It is recommended that the fields of knowledge which would be helpful in the promotion of the Company's business be covered by the Board of Directors as a whole, with sufficient expertise among its members. The Directors must also have the skills required to present their views. The Board of Directors as a whole must have adequate understanding of the sectors for which the Directors are collectively responsible and to have the skills required, in order to exercise the actual management and supervision of the Company; this includes among others:

- its business activity and the main risks associated with it;
- the strategic planning;
- the financial reports;
- the compliance with the legal and regulatory framework;
- the understanding of corporate governance matters;
- the ability to identify and manage risks;
- the impact of technology on its activity;
- gender-balanced representation.



The Company encourages diversity with an aim to promote a proper level of variety within the Board of Directors and a mixed group of Directors. The collection of a wide range of qualifications and skills during the selection of the Directors ensures diversity in opinions and experiences, which in turn ensures correct decision-making. In implementation of the above, a gender-balanced representation of at least twenty-five percent (25%) of the total number of the Directors and the prevention of exclusions as a result of discrimination based on gender, race, color, nationality or social background, religion or ideology, property, birth, disability, age or sexual orientation are necessarily taken into consideration for the selection of the Directors.

5. Assessment procedure

Director Suitability Assessment

The suitability assessment of candidates is carried out before the selection of the new Director and is a responsibility of the Board of Directors, which is assisted to this end by the Remuneration & Nominations Committee. If, for special reasons, the assessment cannot be completed before the Director's appointment, then it must be completed the soonest possible and in any case within six weeks from their appointment at the latest.

Candidate Assessment

The necessary documents are collected for each Candidate, a relevant Questionnaire is prepared and an "Assessment Report" is drafted, whereby it is shown that this individual meets the suitability and reliability criteria set.

- a) The Assessment Report includes the assessment of the candidate's suitability and reliability, and is sent along with the candidate's documents to the Human Resources Manager, who bears the responsibility to check and approve their content and prepare a first recommendation for the selection of the most suitable candidate. Any deviation from the criteria set is noted in the candidate's Assessment Report, together with a justification for its acceptance.
- b) After the Report content has been checked and approved, the first recommendation for the selection of the most suitable candidate is formed. The Candidate is rejected when they do not meet critical criteria. In case the candidate meets the criteria set only in part and provided that the unmet criteria are not critical, they may be recommended to the Chairperson of the Board so that they qualify temporarily. However, the requirements which the Candidate must live up to in their duties must be specified within six months. In case the selected individual does not live up to their duties after all within 6 months, then they are replaced.

6. Re-assessment

In order to ensure sound management of the Company by the right people, the above-mentioned individuals need to be constantly re-assessed with regard to their ability to perform their duties adequately.

7. Approval and amendment of the policy

The Suitability Policy is approved by the Board of Directors in accordance with Article 3, par. 1 of Law 4706/2020 and is submitted to the General Meeting for approval according to Article 3, par. 3 of Law 4706/2020. Any amendments of the Suitability Policy are approved by the Board of Directors and, if they are crucial, they are submitted to the General Meeting for approval according to Article 3, par. 3 of Law 4706/2020. In addition, the Suitability Policy and any crucial amendment thereof is effective as of its approval by the



SUITABILITY POLICY

General Meeting. Crucial are the amendments that introduce deviations or that alter the content of the Suitability Policy considerably, especially as to the general principles and the criteria implemented.

The Suitability Policy in force from time to time is posted in its up-to-date version on the Company's website.

8. Policy disclosure/effect

Any individual who falls under the Policy, gets informed about the Policy when they take up their position of responsibility and assume in writing the obligation to comply with it and to make the prescribed disclosures to the competent bodies of the Company in time, in case any events come to be which affect the suitability requirements.

This Policy was approved through the minute of the Company's Board of Directors dated 15-06-2021 and the decision of the Ordinary General Meeting of the Company dated 07-07-2021 and shall be posted on the Company's website.